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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/490,783

01/24/2000

Richard C. Johnson

021756-088000US

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7590

02/26/2010

TOWNSEND AND TOWNSEND AND CREW LLP/ORACLE
TWO EMBARCADERO CENTER
8TH FLOOR
SAN FRANCISCO, CA 94111-3834

EXAMINER

COBANOGLU, DILEK B

ART UNIT

PAPER NUMBER

3626

MAIL DATE

DELIVERY MODE

02/26/2010

PAPER

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* RICHARD C. JOHNSON
9

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11 Appeal 2009-009659
12 Application 09/490,783
13 Technology Center 3600
14

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16 Decided: February 26, 2010
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20 *Before:* MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
21 ANTON W. FETTING, *Administrative Patent Judges.*

22
23 CRAWFORD, *Administrative Patent Judge.*
24

25
26 DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection of claims 1 to 4, 7 to 10, and 13 to 16. We have jurisdiction under 35 U.S.C. § 6(b) (2002).¹

Appellant invented a method of enabling anonymous shipment of a package containing goods purchased by a customer from a vendor for delivery to an address unknown to the vendor (Spec. 5).

Claim 1 under appeal reads as follows:

1. A method for a bank to enable anonymous shipment by a shipper of a package containing goods purchased by a customer from a vendor for delivery to an address unknown to the vendor, the customer maintaining an account at the bank, the bank storing an address associated with the customer's account, the method comprising the steps of:

- the bank receiving an electronic draft from the customer for the purchase of the goods along with a request for a package code for the package;
- the bank authenticating the customer and guaranteeing payment to the vendor on the draft only if the customer is authenticated and bank-imposed restrictions are met;
- if the customer is authenticated and bank-imposed restrictions are met,
- the bank generating the requested package code, the package code being devoid of delivery address information;
- the bank sending the generated package code to the vendor, wherein the bank does not send

¹Contrary to the assertions of the Appellant in the Reply Brief on pages 5 to 6, the Application was remanded to the Examiner on December 8, 2008 and therefore the new rejection in the Examiner's Answer mailed on December 9, 2008 is in accordance with 37 C.F.R. § 41.50(a) (2009).

1 any delivery address information for the package
2 to the vendor; and
3 the bank generating a shipping identifier
4 for the package that is associated with the
5 generated package code and retrieving the stored
6 address associated with the customer's account,
7 and
8 the bank sending the generated shipping
9 identifier and the retrieved address associated with
10 the customer's account at the bank to the shipper to
11 enable the shipper, after picking up the package for
12 shipment from the vendor, to associate the package
13 code sent to the vendor with the shipping
14 identifier, to identify the associated address as the
15 delivery address of the package, and to ship the
16 package directly from the vendor to the delivery
17 address without divulging any delivery address for
18 the package to the vendor.

19 The prior art relied upon by the Examiner in rejecting the claims on
20 appeal is:

21	Kadaba	US 6,539,360 B1	Mar. 25, 2003
22	Shub	US 6,807,530 B1	Oct. 19, 2004

23 The Examiner rejected claims 1, 7, and 13 under 35 U.S.C. § 101 for
24 being directed to non-statutory subject matter.

25 The Examiner rejected claims 1 to 4, 7 to 10, and 13 to 16 under 35
26 U.S.C. § 103(a) as being unpatentable over Shub in view of Kadaba.

27
28 ISSUES

29 Has the Examiner erred in rejecting claims 1, 7, and 13 under 35
30 U.S.C. § 101 because the claimed subject matter is tied to a machine?

1 Has the Examiner erred in rejecting claims 1 to 4, 7 to 10, and 13 to
2 16 under 35 U.S.C. § 103 because the modification urged by the Examiner
3 would render Shub unsatisfactory for its intended purpose?

4 Has the Examiner erred in rejecting claims 1 to 4, 7 to 10, and 13 to
5 16 because Shub fails to disclose the various steps recited in the claims
6 associated with the bank?

7
8 FINDINGS OF FACT

9 Shub discloses a method of controlling and limiting the flow of
10 identification information in a commercial transaction and more particularly
11 a method that enables customers to remotely order goods from a merchant
12 and receive goods without revealing the customer's identity or address to the
13 merchant (col. 1, ll. 7 to 12). In the Shub method, a merchant contacts a first
14 clearing house and communicates a customer number and a transaction
15 private number in regard to a purchase (col. 4, ll. 40 to 42). The first
16 clearing house communicates with a payment agency or bank indicating
17 whether the funds for the purchase are available (col. 4, ll. 44 to 45). The
18 bank generates and sends a package code x1 to the first clearing house (col.
19 4, ll. 49 to 50). The first clearing house sends the package code x1 to the
20 merchant (col. 5, ll. 15 to 20). The bank generates a shipping identifier x2
21 that is associated with the customer's address (col. 4, ll. 49 to 51; col. 5, ll.
22 53 to 54). Shub discloses that the customer may use a simplified version of
23 the system by for example eliminating one of the clearing houses (col. 4, ll.
24 12 to 13).

PRINCIPLES OF LAW

Patentable subject matter

The en banc court in *Bilski* held that “the machine-or-transformation test, properly applied, is the governing test for determining patent eligibility of a process under § 101.” *In re Bilski*, 545 F.3d 943, 956 (Fed. Cir. 2008). The court in *Bilski* further held that “the ‘useful, concrete and tangible result’ inquiry is inadequate [to determine whether a claim is patent-eligible under § 101.]” *Id.* at 959-60.

The court explained the machine-or-transformation test as follows: “A claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.” *Id.* at 954 (citations omitted). The court explained that “the use of a specific machine or transformation of an article must impose meaningful limits on the claim’s scope to impart patent-eligibility” and “the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity.” *Id.* at 961-62 (citations omitted).

Obviousness

An invention is not patentable under 35 U.S.C. § 103 if it is obvious. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 427 (2007). The facts underlying an obviousness inquiry include: Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness

1 or nonobviousness of the subject matter is determined. Such secondary
2 considerations as commercial success, long felt but unsolved needs, failure
3 of others, etc., might be utilized to give light to the circumstances
4 surrounding the origin of the subject matter sought to be patented. *Graham*
5 *v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). In addressing the findings of
6 fact, “[t]he combination of familiar elements according to known methods is
7 likely to be obvious when it does no more than yield predictable results.”

8 *KSR* at 416. As explained in *KSR*:

9 If a person of ordinary skill can implement a
10 predictable variation, § 103 likely bars its
11 patentability. For the same reason, if a technique
12 has been used to improve one device, and a person
13 of ordinary skill in the art would recognize that it
14 would improve similar devices in the same way,
15 using the technique is obvious unless its actual
16 application is beyond his or her skill. *Sakraida*
17 and *Anderson's-Black Rock* are illustrative - a court
18 must ask whether the improvement is more than
19 the predictable use of prior art elements according
20 to their established functions.

21 *KSR* at 417.

22 A prior art reference is analyzed from the vantage point of all that it
23 teaches one of ordinary skill in the art. *In re Lemelson*, 397 F.2d 1006, 1009
24 (CCPA 1968) (“The use of patents as references is not limited to what the
25 patentees describe as their own inventions or to the problems with which
26 they are concerned. They are part of the literature of the art, relevant for all
27 they contain.”). Furthermore, “[a] person of ordinary skill is also a person of
28 ordinary creativity, not an automaton.” *KSR* at 421. The obviousness
29 analysis need not seek out precise teachings directed to the specific subject

1 matter of the challenged claim, for a court can take account of the inferences
2 and creative steps that a person of ordinary skill in the art would employ. *Id.*
3 at 418.

4 On appeal, Applicants bear the burden of showing that the Examiner
5 has not established a legally sufficient basis for combining the teachings of
6 the prior art. Applicants may sustain their burden by showing that where the
7 Examiner relies on a combination of disclosures, the Examiner failed to
8 provide sufficient evidence to show that one having ordinary skill in the art
9 would have done what Applicants did. *United States v. Adams*, 383 U.S. 39,
10 52 (1966).

12 ANALYSIS

13 *Patentable Subject matter*

14 We agree with the Examiner that the processes recited in claims 1, 7,
15 and 13 are not tied to a particular machine. Claims 1 and 13 recite that the
16 bank receives an electronic draft from the customer and that the bank
17 generates a package code. There is no recitation of a machine in the body of
18 the claim. To the extent that the recitation of an electronic draft and a
19 package code may indicate the use of a computer in the claimed process, the
20 use of such an unrecited computer does not impose meaningful limitations
21 on the claim. In addition, the use of a computer to receive an electronic draft
22 and read a package code is not a recitation of a particular computer but
23 rather a general purpose computer that has been programmed in an
24 unspecified manner to implement the functional steps. As such, we will
25 sustain the Examiner's rejection under 35 U.S.C. § 101.

1 *Obviousness*

2 We are not persuaded of error on the part of the Examiner by the
3 Appellant's argument because the modification urged by the Examiner
4 would render Shub unsatisfactory for its intended purpose. The Appellant
5 argues that if the first and second carrier and first and second shipper in
6 Shub were combined into a single entity the shipper would know the
7 merchant, the customer's bank and the customer which would be squarely
8 against the explicit teachings of the Shub (Br. 20).

9 We agree with the Examiner that:

10 the teachings of Kadaba have been relied upon to
11 teach that a single carrier may include a plurality
12 of clearinghouses or hubs and use a plurality of
13 "shippers" in the process of delivering a shipment
14 from an origin to its final destination. In such a
15 scenario, although the carrier is made up of a
16 plurality of entities (multiple clearing houses and
17 multiple "shippers"), collectively, these multiple
18 entities may be construed as a Single carrier such
19 as UPS. Therefore, under this scenario, the
20 process described by Shub would still take place
21 exactly as described but any communication to or
22 from a clearinghouse of the carrier or a "shipper"
23 of the carrier could be fairly construed as being to
24 or from the single carrier such as UPS. In other
25 words, the proposed combination of Shub and
26 Kadaba does not modify anything within the
27 method of Shub. Rather, the proposed
28 combination merely views the method of Shub
29 through lens of a real world, commercial
30 application.

31 (Ans. 8)

1 As such the Examiner does not propose to modify the Shub reference
2 at all and therefore does not change Shub so that it is unsatisfactory for its
3 intended purpose.

4 We are also not persuaded of error on the part of the Examiner by the
5 Appellant's argument that there is no teaching or suggestion to modify Shub
6 so as to aggregate the first and second clearing houses and the first and
7 second carriers, as the Examiner's rationale does not involve any
8 modification to Shub.

9 We are not persuaded of error on the part of the Examiner by
10 Appellant's argument that Shub fails to teach the step of the bank receiving
11 an electronic draft from the customer for the purchase of the goods along
12 with a request for a package code for the package. As found above, Shub
13 discloses that the first clearing house communicates with the bank to
14 confirm that the funds for the purchase are available. Appellant argues that
15 as this request is from the first clearing house not from the customer as
16 required by claim 1. However, such a communication is in response to the
17 customer contacting the merchant to place an order and the merchant
18 contacting the first clearinghouse which in turn contacts the bank to confirm
19 that the funds are available for the purchase. Therefore, the receipt by the
20 bank of the request for confirmation of funds is ultimately from the customer
21 even if not directly from the customer. We note that the claim does not
22 require that the bank receives the electronic draft directly from the customer.
23 In addition, this request includes a request for package code x1.

24 We are also not persuaded of error on the part of the Examiner by
25 Appellant's argument that Shub fails to disclose that the bank sends the

1 shipping identifier and retrieved address information to the shipper. Shub
2 clearly discloses that the bank sends the shipping identifier x2 to the first
3 clearing house and that x2 is associated with the customer's address. The
4 first clearing house sends the shipping identifier x2 to the second
5 clearinghouse and the second clearinghouse replaces shipping identifier x1
6 with shipping identifier x2 and sends the shipping identifier x2 to the second
7 carrier. Therefore, the shipping identifier x2 is ultimately sent to the shipper
8 even if not directly from the bank. We note that the claim does not recite
9 that the bank sends the shipping identifier directly to the shipper.

10
11 **CONCLUSION OF LAW**

12 On the record before us, Appellant has not shown error by the
13 Examiner in rejecting claims 1, 7, and 13 under 35 U.S.C. § 101 and claims
14 1 to 4, 7 to 10, and 13 to 16 under 35 U.S.C. § 103(a).

15
16 **DECISION**

17 The Examiner's decision is affirmed.

18 No time period for taking any subsequent action in connection with
19 this appeal may be extended under 37 C.F.R. § 1.136(a) (2007).

20
21 **AFFIRMED**
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5 TOWNSEND AND TOWNSEND AND CREW LLP/ORACLE

6 TWO EMBARCADERO CENTER

7 8TH FLOOR

8 SAN FRANCISCO, CA 94111-3834